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# Key Indicators: Quarterly Enrollment Update

## June 2011 Edition

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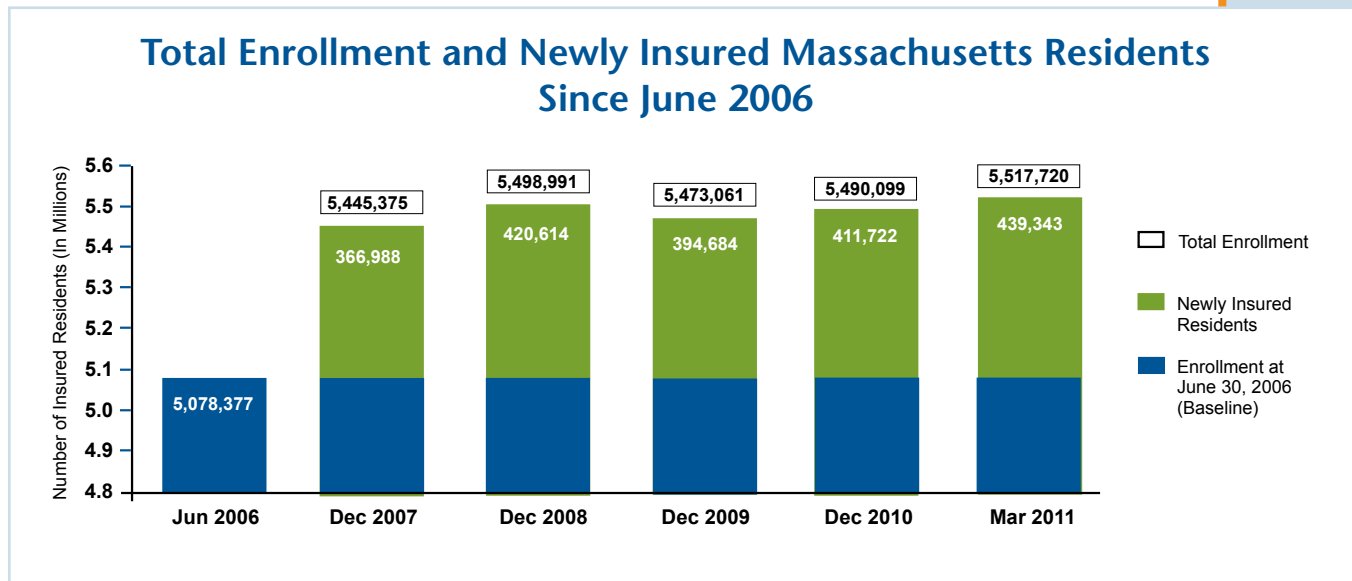
DIVISION OF  
Health Care  
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# An Overview of Health Insurance Coverage in Massachusetts

This report presents an update on health insurance coverage in Massachusetts between June 2006 (when health care reform law was passed) and the first quarter of 2011. Estimates are based on data self-reported by health insurance programs to the Massachusetts Division of Health Care Finance and Policy (the Division).<sup>1</sup> Rates of coverage are presented by various public and private health plan types. This report also examines the trends in private versus public insurance enrollment in the context of the economic climate. The report finds that total enrollment levels have been consistently high in recent years, reflecting broad access to health care in Massachusetts.

## Newly Insured and Total Number of Insured Residents







As of the first quarter (January – March) of 2011, more than 5.5 million Massachusetts residents under the age of 64 (the non-elderly population) have health insurance coverage. This is 439,000 (9%) above the total number of insured residents at the end of June 2006. In comparison, Massachusetts' population grew by only 3% in the 10 years between 2000 and 2010.<sup>2</sup> The total number of insured non-elderly residents as of March 2011 represents approximately 98% of the state's total non-elderly population.<sup>3</sup> This percentage is consistent with Massachusetts Household Health Insurance Survey, which found that 98.1% of Massachusetts residents are insured, and has shown little change since 2010.<sup>4</sup> This suggests that Massachusetts may have reached maximum insurance levels based on existing demographics and health insurance market characteristics.



- 1 See the technical notes for a complete list of data sources and details on the process for counting the total number of insured residents.
- 2 Population growth data from the US Census Bureau. Online at [www.census.gov](http://www.census.gov).
- 3 Based on 2010 population data on Massachusetts from the American Community Survey 1-year estimates. Data are from the US Census Bureau and can be accessed at <http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk>.
- 4 For more information, see "Health Insurance Coverage in Massachusetts: Results from the 2008-2010 Massachusetts Health Insurance Surveys" (December 2010). Online at [http://www.mass.gov/Eeohhs2/docs/dhcfp/r/pubs/10/mhis\\_report\\_12-2010.pdf](http://www.mass.gov/Eeohhs2/docs/dhcfp/r/pubs/10/mhis_report_12-2010.pdf)

## Health Insurance Enrollment by Coverage Type

The private group market remains the primary source of health insurance coverage for Massachusetts residents. As of March 2011, 79% of the state's total insured non-elderly population maintained coverage through the private group market (see table below). Nationally, only 59% of the total insured non-elderly population had private group insurance in 2009.<sup>5</sup> In addition, the proportion of total insured non-elderly population with individual purchase is lower in Massachusetts than the 2009 national average (1% vs. 5%, respectively). The individual purchase market grew by approximately 33,000 more members between June 2006 and the first quarter of 2011. The four primary sources of public health insurance<sup>6</sup> coverage in the Commonwealth (MassHealth, Commonwealth Care, Medical Security Program,<sup>7</sup> and Commonwealth Care Bridge<sup>8</sup>) accounted for approximately 20% of the total non-elderly insured population during the first quarter of 2011, a proportion equal to the 2009 US national average.

Source of Coverage	Jun 2006 - Mar 2011 Trends	Mar 31, 2011	% of Total (Mar 2011)	Change in Enrollment (%)	
				Jun 2006 - Mar 2011	Dec 2010 - Mar 2011
Private Group		4,341,543	78.7%	0.2%	0.9%
Individual Purchase		70,826	1.3%	86.3%	1.7%
Medical Security Program §		36,160	0.7%	766.1%	-0.4%
MassHealth		894,795	16.2%	26.9%	-0.4%
Commonwealth Care †		155,518	2.8%	--	-2.2%
Commonwealth Care Bridge ‡		19,007	0.3%	--	-10.0%
<b>Total Enrollment</b>		<b>5,517,720</b>	<b>100.0%</b>	<b>8.7%</b>	<b>0.5%</b>

5 National data presented in this section are from the Kaiser Family Foundation and are for the 2009 calendar year, the most recent year with available data. For more information, see "Health Insurance and Uninsured." Online at [www.statehealthfacts.org](http://www.statehealthfacts.org). Accessed 10/18/2011 and 10/19/2011.

6 The Health Safety Net (HSN) which replaced the Uncompensated Care Pool (UCP) as part of the health care reform law of 2006, allows eligible individuals (Massachusetts residents with family incomes between 0% and 400% of the federal poverty level) who are uninsured or underinsured to access acute care hospitals and community health centers for essential health care services. HSN reimburses providers for eligible services, but is not a health insurance program. For more information about the HSN, see the 2011 Second Quarter HSN Report, online at <http://www.mass.gov/eohhs/docs/dhcfp/r/pubs/11/hsn-2011-q2.pdf>.

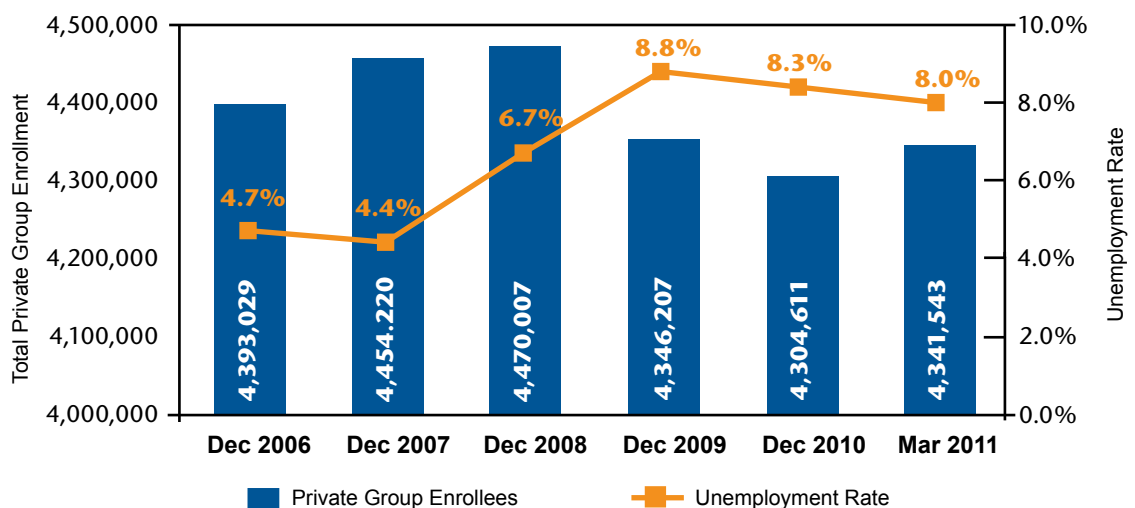
7 The Medical Security Program (MSP) offers two coverage options for members. Members may enroll in either Premium Assistance (if they qualify for COBRA) or the Direct Coverage option and receive care through a participating HMO. Care for enrollees in both programs is subsidized. See technical notes for more information.

8 Commonwealth Care Bridge is a state-subsidized health insurance program for individuals who were previously enrolled in Commonwealth Care but who lost eligibility due to changes in state law. See the technical notes for more information on the Bridge program.

## Health Insurance Enrollment in the Recent Economic Climate

The recession that started in 2007 and gained momentum in 2008 exerted pressures that led to shifts in employment patterns in both the Massachusetts and national economies, changes that likely affected health insurance enrollment in the private group market. In Massachusetts, the unemployment rate increased from 4.4% at the end of the 2007 calendar year to 6.7% by December 2008. As the state's unemployment rate climbed, enrollment in the private group market (which is predominantly employer-based insurance) declined – by nearly 3% in the one year between December 2008 and December 2009. The decline in private group enrollment over this period corresponds to a two percentage point increase in the unemployment rate. Unemployment in the Commonwealth declined by three-tenths of a percentage point from the end of 2010 to the first quarter of 2011; over the same period, health insurance enrollment in the private group market grew by 1% or approximately 37,000 members.

**Private Group Enrollment and Unemployment in Massachusetts 2006-2011**



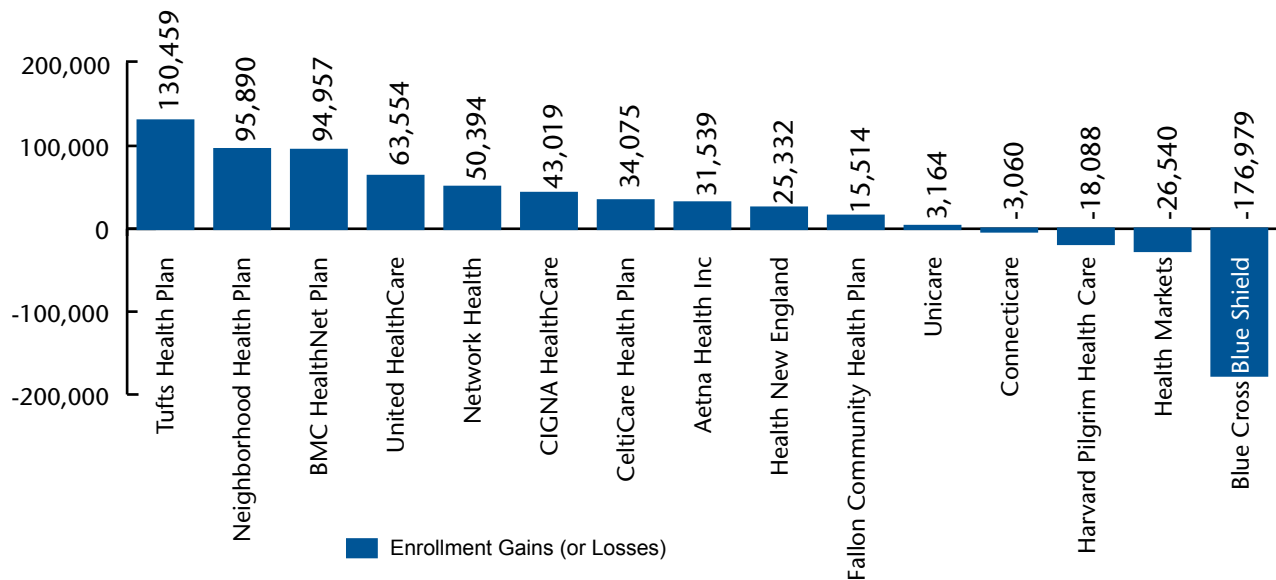
Membership in the Medical Security Program (MSP), which provides health insurance assistance to unemployed Massachusetts residents, grew by 32,000 between June 2006 and March 31, 2011, with much of this growth occurring between December 2008 and December 2009 when MSP membership increased from 13,000 to nearly 34,000 members. Rising enrollment in MSP was driven by both higher unemployment levels and federal extensions of the number of weeks of benefits that unemployment insurance (UI) claimants were able to collect, which peaked at 99 weeks in Massachusetts. By statute, UI claimants who are eligible for MSP are eligible for the duration of their UI claim, including extensions. Since the 2008/2009 spike however, enrollment in the MSP program has grown at a more modest rate. MSP enrollment grew by 2.4% annually between December 2009 and the first quarter of 2011. Enrollment in Commonwealth Care (CommCare) grew rapidly during the program's first year of operation, December 2006 through December 2007. CommCare monthly enrollment peaked at approximately 181,000 members in July 2009, but declined sharply, by nearly 17%, between July 2009 and September 2009 primarily due to the loss of eligibility for some legal immigrants. Enrollment has remained fairly stable since September 2009.



## Enrollment by Private Health Plans

The majority of private health insurers have seen growth in enrollment since passage of health care reform law in June 2006. As of the first quarter of 2011, Tufts Health Plan, Neighborhood Health Plan, and BMC HealthNet Plan have reported the most significant enrolment gains over the period. Conversely, membership in Blue Cross Blue Shield of Massachusetts (BCBSMA) – the state's largest private insurer by membership – has declined by approximately 177,000 enrollees over the same period. The decline in BCBSMA membership corresponds to a six percentage point drop (from 46% to 40%) in BCBSMA's market share as of the first quarter of 2011. Overall, total enrollment in private health plans (all products, including Medicare Advantage) grew by approximately 7% (327,000 members) between June 2006 and March 31, 2011.

Change in Enrollment by Private Health Plans Since Health Care Reform



## Technical Notes

**Total Number of Insured Residents:** Total enrollment excludes Medicare enrollees and is tabulated from unaudited enrollment data that plans and programs report to the Massachusetts Division of Health Care Finance and Policy. Data reflect enrollment in private group health plans, individually purchased insurance, MassHealth, Commonwealth Care, and Commonwealth Care Bridge. Data are for Massachusetts residents enrolled in the following health plans and programs: Aetna Health, Blue Cross and Blue Shield of Massachusetts (including HMO Blue and Massachusetts residents insured through other Blue Cross Association plans), Boston Medical Center HealthNet Plan, CeltiCare Health Plan of Massachusetts, CIGNA HealthCare of Massachusetts and its affiliated companies, ConnectiCare of Massachusetts, Fallon Community Health Plan, Harvard Pilgrim Health Care, HealthMarkets (Mega Life and Health Insurance Company, Mid-West National Insurance Company of Tennessee, and Chesapeake Life and Insurance Company), Health New England, MassHealth, Neighborhood Health Plan, Tufts Associated HMO, Unicare Life and Health Insurance, and United Health Care. The total number of insured residents excludes Massachusetts residents who are federal employees but not insured through a commercial carrier, active duty military personnel and their families who receive services through Champus/Tricare only, and inmates of the Massachusetts Department of Correction.

**Newly Insured Residents:** This is the estimated total number of Massachusetts residents who have gained health insurance coverage since passage of health care reform in June 2006. The number of newly insured residents is derived by subtracting enrollment as of June 2006 from enrollment for a respective reporting period.

**Commonwealth Care and Commonwealth Care Bridge:** Commonwealth Care is a program for Massachusetts residents 19 years and older. The program was created as part of the 2006 health care reform law and is administered by the Health Connector. Commonwealth Care members are excluded from membership counts for private health plans and total Commonwealth Care enrollment is based on data provided by the Health Connector. In October 2009, changes in federal and state funding laws made some members (Aliens with Special Status [AWSS]) ineligible for health insurance coverage through Commonwealth Care. The Commonwealth Care Bridge program, which is administered by CeltiCare Health Plan of Massachusetts, was created to provide coverage for the AWSS population. Commonwealth Care Bridge members are counted separately from Commonwealth Care members since the two programs are currently distinct. There are currently no mechanisms for enrolling "new members" into the Bridge program.

**MassHealth:** Total MassHealth enrollment is estimated from quarterly data provided by the Massachusetts Office of Medicaid. MassHealth membership is estimated for individuals for whom MassHealth is the primary source of health insurance coverage (Direct Members) and excludes members for whom MassHealth serves as a secondary source of coverage (Partial or Purchased Members). MassHealth enrollment includes direct membership in the following program categories: 1) Standard (children and adult families enrolled in HMO non-disabled, PCC non-disabled, FFS non-disabled, newborns, disabled children and adult families enrolled in HMO disabled, PCC disabled, and FFS disabled); 2) Long-term unemployment (HMO Basic, PCC Basic, Unenrolled Basic, PCC Essential, and EAEDC); 3) Commonwealth (MCO Essential, children, working and non-working adults enrolled in MCC, PCC, and FFS Commonwealth, and Premium Assistance); 4) Family Assistance (children and adults enrolled in HMO family assistance, PCC family assistance, and unenrolled family assistance); 5) Presumptive eligibility under the MassHealth Prenatal Program; 6) Disabled Buy-In; and 7) enrollment in long-term care for MassHealth member under the age of 65 and the Kaleigh-Mulligan/AE4 Adoption program.

**Medical Security Program:** The Medical Security Program (MSP) provides health insurance coverage assistance to low and moderate income unemployed Massachusetts residents who are eligible for unemployment health insurance benefits. The program is administered by the Massachusetts Division of Unemployment Assistance (DUA). There are two coverage options under the program: Premium Assistance (PA) and Direct Coverage (DC).

PA members are typically unemployed individuals who either paid for their own health insurance before losing employment or who may continue enrollment in their former employer's private group health plan, as is allowed under federal COBRA laws. Because MSP PA members may be reflected in membership numbers for the private group market for any given period, the number of total PA members provided by DUA is subtracted from total enrollment data for the private group market. Coverage in the MSP PA program is subsidized up to 80%.

DC membership is comprised of individuals who purchase coverage on their own. Since these members may be reflected in the individual purchase market, total MSP DC membership is therefore subtracted from total enrollment for the individual purchase market. Coverage in the MSP DC program is subsidized up to 100 percent, except for copayments and deductibles.

The distribution of MSP membership by enrollment in the PA and DC programs since June 2006 is:

### Distribution of MSP Membership by Coverage Type

	Jun-06	Dec-06	Dec-07	Dec-08	Dec-09	Dec-10	Mar-11
Direct Coverage	2,168	2,200	4,706	8,681	20,993	25,731	26,176
Premium Assistance	1,992	2,107	2,937	4,459	12,660	10,429	9,855
Total MSP	4,160	4,307	7,643	13,140	33,653	36,160	36,031

**Enrollment by Private Health Plans:** Private health plan enrollment data includes Massachusetts residents enrolled in health insurance products offered by the respective health plans and their affiliates. MassHealth, Medicare Advantage, and Commonwealth Care enrollment are included in addition to fully and self insured group and direct purchase products. Membership in products with limited health benefits or supplemental coverage is not included. Membership in joint ventures between health plans is reported by the primary administrator. *Total number of insured residents may not sum to membership by health plan since total enrollment includes MassHealth members not enrolled in private health plans and excludes enrollment in Medicare Advantage.* Enrollment for Unicare Life and Health Insurance includes both GIC and other fully-insured products. For each health plan, absolute change reflects change in enrollment between June 2006 and the current period.

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